

## **Durham Convention Center Authority meeting**

Tuesday, April 21, 2009

8:00 am

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The meeting was called to order at 8:00am with the following members present:

Present: Rob VanDewoestine, Rosemarie Kitchin, and Patrick Byker

Owner's representation: Sharon DeShazo, Karmisha Wallace, Mícheál Lynch, Harmon Crutchfield, Joel Reitzer, Jr., Chris Boyer and Drew Cummings.

Management Company: Richard Brezinski, J.B. Griffin, Wendy Jeffries, Joseph Hoffman and Alfrado Garner.

Motion of approval for March 17, 2009 minutes moved by Rosemarie Kitchin, seconded by Patrick Byker, voted and agreed upon by all.

Introduction of new City of Durham, General Services Director – Joel Reitzer, Jr. and Wendy Jeffries, Shaner Director of Sales.

### **Action Items for May**

- Mr. Brezinski will organize a follow-up meeting to discuss Fuqua Study recommendations.
- Shaner will prepare a report on the pros/cons of the convention center owning audio visual equipment.

### **Community Facility Manager's Update**

#### **Preventive maintenance procedures for Phase I Capital Projects:**

- **HVAC Equipment**
  - A third party contract with Comfort Engineers has been established to maintain and extend the life of the HVAC system and prevent sudden failure of equipment components. Preventive maintenance will assist the owners in improving system reliability, decrease cost of replacement, decrease system downtime and reduce possible injury. The contract is yet to be reviewed by the owners and the project designers. The owners review will determine:
    - When the contract will begin
    - Schedule of work
    - The consequences if equipment is not properly maintained

*Note:* Shaner placed restrictions on the HVAC system in regards to staff authorized to access the computer and change the settings, etc. Only Comfort Engineers, Champion and Julius Hoff are authorized to do so.

- **New ballroom partitions** (seven) installed – A contract with Precision Walls for a preventive maintenance program is being developed. A structured operating procedure allows the community facility manager to review what has been executed per visit and compare scope of work with what's in the contract. This process will be paid through the operating budget. Precision Walls has been servicing the partitions at the convention center for 20 years. Presently, Ms. DeShazo is awaiting costs and scope development. A contract agreement with Precision Walls is necessary as follow-up of an analysis conducted by Don Hasselbach, County General Services and Brian Conklin, former City General

Services regarding the condition of the previous partition walls. Abuse was noted as an issue even though the life of the partitions existed through 20 years. In addition to a contract, the community facility manager will review:

- Documentation of personnel trained to operate ballroom partitions.
  - This check point will need to demonstrate ability of staff to understand all relevant procedures
- Schedule of maintenance
- The consequences behind noncompliance
- Useful life expectancy
- Safety procedures
- **Floor Boxes** – The community facility manager will review present maintenance procedures. Completion of the floor boxes will move into phase II. A complete preventive maintenance agreement will be discussed at that point.
- **Carpet in grand ballroom**– The community facility manager is presently in communication with Shaner regarding a preventive maintenance plan and schedule to be demonstrated in a clear step-by-step procedure, in checklist form. Shaner is currently contracting with Partner's Carpet Care, an outside vendor to deep clean carpet.

The community facilities manager met with the Durham Chamber of Commerce regarding a "Business After Hours" opportunity for the convention center and details were discussed and forwarded to Wendy Jeffries, director of sales. This venue, in addition to an open house ceremony will expose the newly renovated "grand ballroom" at the convention center to potential and previous business contacts.

- Contact at the Durham Chamber of Commerce:
  - Danielle Kaspar, IOM, Director of Programming and Events
    - 919.328.8732
    - [dkaspar@durhamchamber.org](mailto:dkaspar@durhamchamber.org)

### **Capital Project Update April 2009:**

#### **Current Project – Phase I (FY05-06 funds)**

The construction phase was completed within budget and on schedule in August 2008. This included additional scope of \$ 316,000.00 to upgrade the lower pre-function corridor and install new folding partitions in the original ballrooms. An additional scope of \$24,000.00 was made subsequent to completion and occupation to resolve unforeseen irregularities in the incoming electrical supply (line-reactors) and new ballroom thermostats. General Services continue to work with Duke Energy on the line reactors issue. The owners are engaging Duke Energy to continue monitoring the units through the next season. The design team will remain engaged with Duke Energy on this matter. This delayed the project close-out phase by twelve weeks, but additional CM@R overhead costs were avoided.

*Close-out issues (These are through the warranty period)*

- Compact fluorescent can lamps failing in the grand ballrooms. The Architect/Engineer and CM@R are continuing to liaise with the lamp, ballast and dimmer suppliers to resolve.
- The project design team reported on the AHU freeze-failure and is unable to clearly ascribe fault. The recovery costs of \$23,000.00 are being paid through the project contingency until liability is established.
  - Mr. Reitzer, City General Services director asks to review the HVAC warranties for future impact per the terms, conditions and timeframe.
- Additional punch list items:
  - Correct two wallpaper seams.
  - Durham Convention Center sign over archway of pre-function corridor entrance should follow the archway architectural alignment.
  - Review of return air filtering on the four new RTU's.

Mr. VanDewoestine asked, "Who is the project manager responsible for making sure this issue is resolved". Mr. Lynch responded Mike Collins of EDI, is responsible for electrical issues and added, "We are confident through our contract, which is recognized by our designers". Mr. Reitzer would also like to review the roof consultant's report.

#### **Proposed New Project - Phase II (FY08-09 funds)**

The new project was planned to proceed as a bundle with the Carolina Theatre and Durham Arts Council downtown projects. A preliminary meeting was held in July 2008 with each set of stakeholders to develop the project scope based on the un-funded list (appendix B) from the current project. The Architect issued a fee proposal for the Phase II project in October 2008. This was recently revised to include updated stakeholder requests - mainly from the Theatre and Arts projects. The City General Services Department shared the Architect's revised fee, the CM@R design fee, and the 50% split of design costs with the County for their review. The previous forecast for completing the approval process for both the Architect/Engineer and CM@R contract amendments by May 18, 2009 is on hold pending confirmation of funding for construction by the City.

#### ***Project Budget***

<b>Project Funding</b>	
<b>Design phase</b>	<b>Approved Funding July 2008 at \$1,176,000</b>
<b>Construction phase</b>	<b>Funding anticipated July 2009 at \$5,335,000.00</b>
<b>Project Total.</b>	<b>Projected at \$6,115,031.00</b>

<b>Project Expenditures</b>		<b>City &amp; County 50% Cost Share</b>
<b>Design phase</b>		
A/E design contract	\$599,994.00	
Owners design contingency	\$59,999.00	

CM@R pre-construction contract	Projected at \$109,125.00	
Owners pre-construction contingency	Projected at \$10,913.00	
<b>Sub-total for design.</b>	Projected at \$780,031.00	Projected at \$390,015.50
<b>Construction phase</b>		
Balance from design phase	Projected at \$395,969.00	
CM@R GMP contract	Projected at \$4,850,000.00	
Owners construction contingency	Projected at \$485,000.00	
<b>Sub-total for construction.</b>	Projected at \$5,335,000.00	Projected at \$2,667,500.00
<b>Project Total.</b>	Projected at \$6,115,031.00	Projected at \$3,057,515.50

***Project Scope - summary of proposed scope***

- Replace and repair floor tiling to kitchen, lobby and restrooms
- Replace and repair roofing membrane
- Replace suspended ceiling tiles
- Replace folding partitions to meeting rooms 105-108
- Replace and upgrade miscellaneous door hardware
- Repair and redecorate miscellaneous doors
- Upgrade sound system to all 7 ballrooms
- Lighting upgrades to Ballrooms 101,102, 103, 104
- Replace skylight
- Reassess balance of HVAC plant not previously addressed including upgrade of two 350 ton Water-cooled chillers
- Address balance of ADA issues from DOJ schedule
- Verify operation & coverage of emergency lighting
- Evaluate potential power fluctuation issues
- Assess carpet and wall covering throughout
- Recently added scope items;
  1. Design review and corrective work to 2 loading-dock roller shutter doors.
  2. Design review and upgrade of electrical floor boxes to new Grand Ball room.
  3. Tile steps leading from the plaza (must be ADA compliant)
- There was a comment to add website development to the operating budget. Please note that the Convention Center is already linked with the DPAC website.

### ***Design Phase – 6 months***

The stakeholders decided at the October 2008 ‘lessons learned’ meeting that a steering committee would decide on the final scope priorities based on priorities identified by the design team and to update the stakeholders on the project status. The stakeholders also decided that the committee would be comprised of;

- (Owners) City and County      Mícheál Lynch and Drew Cummings
- Shaner                                  Dick Brezinski, and Wendy Jeffries
- Architect/Engineer              Clay Clayton and Glenn Key
- CM@R                                 Skanska Project Management

During the design phase the CM@R will develop a construction schedule and consult with project management and Shaner for any business shutdowns which may be required.

### ***Construction Phase – schedule to be determined***

The CM@R issues a Guaranteed Maximum Price developed from the acceptable bid result, which then becomes the basis for their construction phase contract.

### **Management Company Status Report:**

Much of the current business is being booked within a month of the event date. This makes forecasts beyond a month less certain than in the past. The convention center held 40 events during the month of March with one event less than prior year. March revenues came in \$22,791 over forecast at \$185,507, and \$39,493 under budget. The increase over forecast is due to short term bookings. Meeting room rental is \$38,780 at \$15,280 over forecast. Audio Visual revenues continue to increase at \$10,986 over budget. Food labor is \$53,442 and \$4,592 more than budget. Labor cost is relative to food and meeting room rental sales. The low banquet beverage revenues are due to below market costs and are being reviewed for an increase. Administrative and General direct expenses are less than forecast due to bonuses not being paid out. The current deficit at \$361,880 is reduced year to date by \$34,342.

Attendance per booking is decreasing by 20% to 40%. Due to the economy, companies are restricting travel. Internet marketing is increasing as another revenue venue.

### **Agenda for next meeting**

- Phase I closeout and Phase II scope of work
- Management report
- Fuqua study recommendations